

Taxes in Nutshell

What New Taxes Do to Poor

(Second of a Series)
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WASHINGTON — Many solid citizens have been saying for years that a majority of the nation's Toms, Dicks and Marys took scant interest in the federal government because they paid no federal income taxes.

Well, if it takes a tax to make them government-conscious, a lot of small-income people are going to be that way—and plenty—soon. Uncle Sam really is reaching down into the lower brackets to get money to help fight the war. More than 48,000,000 will pay income taxes under the new law, about 32 million of them for the first time.

The most abrupt dip into the low income groups occurs in the case of heads of families. For example, a married man with two dependent children and a net income of \$2000 in 1942 didn't even come close to having to pay a tax this year. In 1943, however, his combined Victory and income tax on the same income will be \$93. (A post-war credit of \$35 on his Victory tax will make the net tax eventually \$58.)

If the same family man has an income of only \$800, he will contribute \$7 Victory tax after post-war credit. The single person with \$800-a-year income will pay a net tax of \$62 next year as compared with \$3 in 1942 and not a dime in 1941.

Everybody must pay a Victory tax of 5 per cent on all gross income in excess of \$12 a week or (\$624 a year). Besides the Victory tax, four new provisions of the revenue law enables the government to reach more income earners and to hit all taxpayers harder. They are the reduction of personal exemptions, the lowering of credits for dependents, an increase in the normal tax rates and a boost in surtax levies.

The personal exemption for married persons is cut from \$1500 to \$1200 and for single persons from \$750 to \$500. The normal tax is raised from 4 to 6 per cent and surtax rates begin at 13 per cent, instead of 6 per cent, on the first \$2000 of taxable net income.

These increases, together with the 5 per cent Victory tax, mean that the treasury gets 24 cents of every dollar in the first \$2000 of taxable net income. The take will be 27 cents of every dollar in the second \$2000 and so on, up to 90 cents on the \$5,000,000 a year incomes. You'll get a cent or two credit, or rebate, on each dollar under Victory tax credit provisions.

(Tomorrow: A Jolt to The White Collar Boys.)

Adults Can Obtain 'Oregon' Souvenirs

Adults in Marion county who buy bonds can now obtain souvenirs from the Battleship Oregon by displaying the bond at either Salem bank or in the Sears & Roebuck or J. C. Penney stores, according to Frederick S. Lamport, county war savings bond chairman, who disclosed Thursday that 11,500 souvenirs are now available.

Since special plans have been made for school children to gain souvenirs in school, the 11,500 received by Lamport are for adults only.

Glatt Tells Of Pincers On Farmer

Caught in a "four-pincers movement," the farmer is in need of help, Ray Glatt, Woodburn agriculturist and civic leader, told the Salem Lions club Thursday noon.

The four prongs pinching the farmer, Glatt said, are "less labor, higher wages, ceiling prices and questionnaires."

"The farmers can take it, and make sacrifices if necessary," Glatt declared, but "they must have help."

Saying the problem of labor had become paramount in farm production, Glatt asked for an understanding attitude on the part of the public, and a campaign to sell city dwellers on the need of spending their vacations assisting the farmers in their harvest.

The speaker questioned a recent magazine article purporting to show that farmers were "well off" last year.

"By that article's figures, the farmer, representing 25 or 30 per cent of our people, was getting only 12 per cent of the national income," Glatt asserted. "His per capita net income in 1909 to 1914 was \$82.42; last year it was \$226.40. That is not shipyard wages."

Glatt said the farmer did not want to be subsidized, but did want to receive a fair return for his labors and the labor to produce the foodstuffs which, he said, will be sorely needed this year.

Hyslop Envisions Oregon as Garden Of Vegetable Seed

PORTLAND, Jan. 7—(AP)—Prof. George Hyslop of Oregon State college envisioned Thursday the conversion of Oregon valleys into a vast vegetable garden producing a \$5,000,000 annual crop.

"Oregon's soil and climate offer great possibilities for the development of a specialized vegetable seed industry," he told the new Oregon state farm chemurgic committee. "The mountain ranges separating the hundreds of small valleys in Oregon would reduce to a minimum the unfortunate tendency of vegetable seeds to cross-pollinate."

Pointing out that adequate research would uncover countless new possibilities in soil production, he said Oregon's enormous variety of wild plants might yield insecticides and other commercial products. The state's budding forage seed crop has made considerable progress, he added.

Experiments in the chemurgy field have only scratched the surface, state Senator Howard Belton of Clackamas county told the 150 delegates.

Morton Tompkins, master of the Oregon state grange, was named president; Dean W. A. Schoenfeld of Oregon State college and E. B. Aldrich, editor of the Pendleton East-Oregonian, vice presidents, and H. W. Derry, manager of the Pacific Power & Light company's new industries department, secretary.

Medicine Sale Limit Banned

PORTLAND, Jan. 7—(AP)—A circuit court decision Thursday permanently enjoined the Oregon state board of pharmacy from enforcing an order confining the

sale of nearly all proprietary remedies to licensed pharmacists.

The opinion was rendered by Judge Arthur D. Hay of Lakeview, who heard the case here.

The way now is clear for some 3000 shopkeepers, mainly grocers, to sell the medicines. Albert W. Gentner, attorney for Hudson-Duncan & Co., and 150 independent shipkeepers who filed in-

junction suits, opined.

Plaintiffs contended the board's order would have created a monopoly in the sale of cough drops, cough syrup, foot powders, tooth paste, corn remedies and similar remedies.

The law establishing the pharmacy board did not authorize the board to issue such an order, Judge Hay held.

Gifts to YM Cut Mortgage

Thanks in considerable part to several large "special gifts," the Salem YMCA board of directors was able Thursday to appropriate \$445 for needed new equipment,

including radios, and in addition \$5500 to apply on the institution's building mortgage.

The building payment will reduce the Y debt to \$23,500, a figure directors said was gratifying to attain.

Gifts reported to the directors by Frederick S. Lamport, endowment committee chairman, includ-

ed \$500 from John J. Roberts, \$1995 from Salem Sand & Gravel company and \$2450 from the Anunson company.

Paul B. Wallace, chairman of the religious committee, announced that the Y is assisting in bringing E. Stanley Jones to Salem for one day on the anniversary of the National Christian mission.

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